

April 13, 1955      LB 146A, 397

E & R   Initial of LB 146A. All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk.

CLERK:      26 ayes, 0 nays, Mr. President, on the advancement of 146A.

SENATOR HALL: LB 146A is advanced. LB 397, Mr. Clerk.

CLERK: LB 397, Mr. President, introduced by Senator Lindsay. (Read title.) The bill was introduced on January 12, referred to the Banking, Commerce and Insurance Committee, advanced to General File. There are committee amendments.

SENATOR HALL: Senator Landis, on the committee amendments.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature, this is a bill that authorizes a reverse mortgage. That's a term you probably haven't heard before. It was new to us in the committee. A reverse mortgage is where you own your home and you cede the equity in your home to the bank or to the institution, and then in return for giving them title to the house they give you either a loan or a time installment payment for your life, for X number of years or the like. In other words, you own the home, you give them the home back. You stay in the home and they give you money. On your death, they collect the home, reverse mortgage. Now, we have banks and savings and loans that are authorized to do this now, not specifically authorized but their general lending statutes are general and would permit them to do this. Not many are but a few of them are. Our small loan companies, however, have a tighter system of regulation than banks and savings and loans. Because of the nature of the people who go to small loan companies, the state has always had a higher standard with respect to the regulation of these institutions and they've told these institutions that they may only do the things that they're authorized by state law to do. Whereas banks are not told they can do reverse mortgages and therefore can do them, small loan companies do not have affirmative authority to do reverse mortgages and therefore cannot do them. Senator Lindsay's bill gives that authorization to small loan companies to do reverse mortgages and in came Household Finance and Nebraska Financial Services Association in support of the bill. There was one neutral party, the K...make that the Kansas, Nebraska, Oklahoma League of Savings and Institutions. They were in a neutral capacity because they wanted to make it clear that they were not